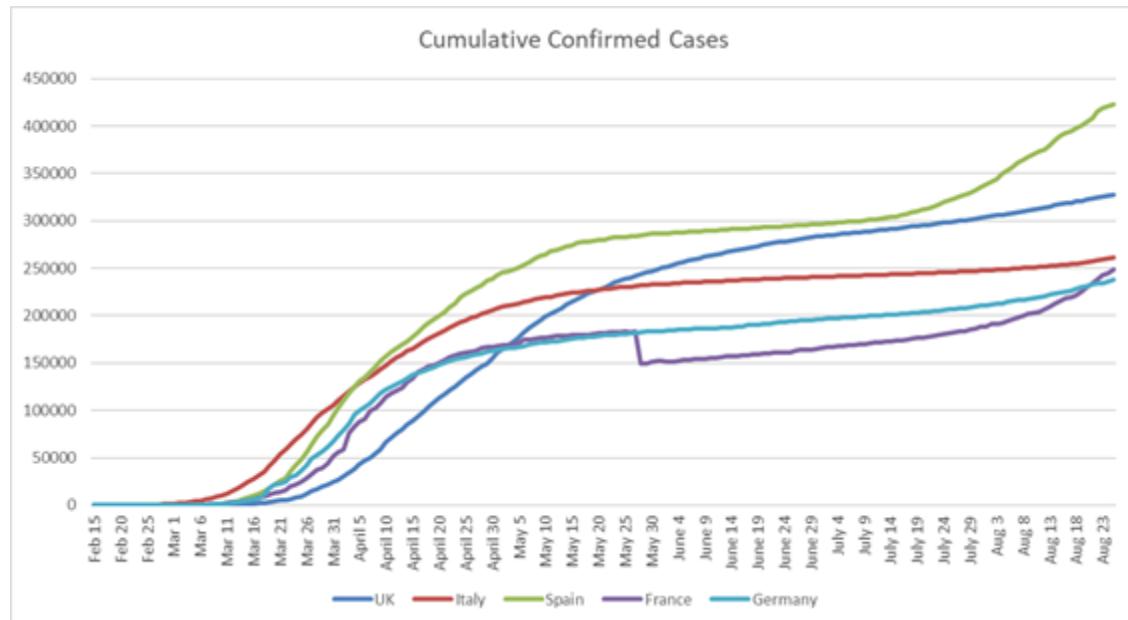
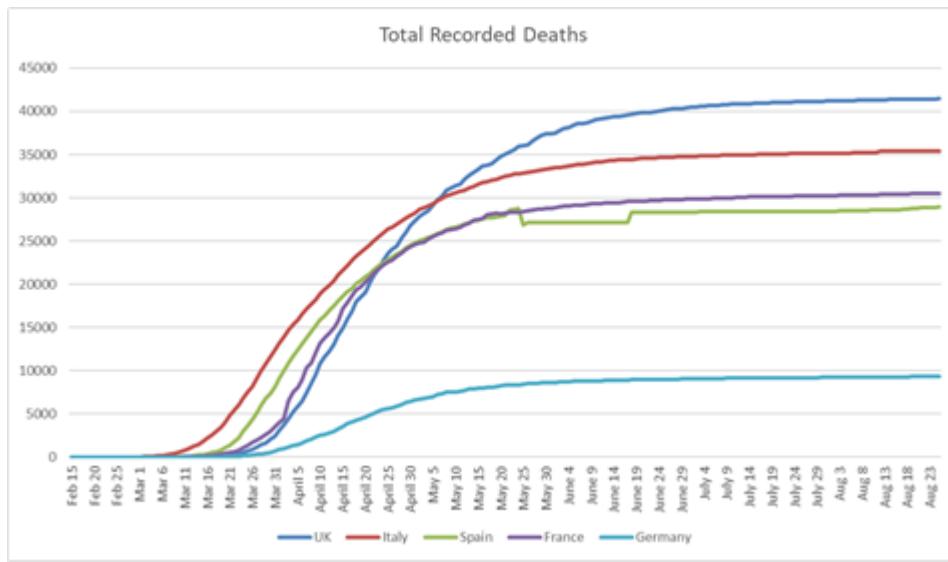
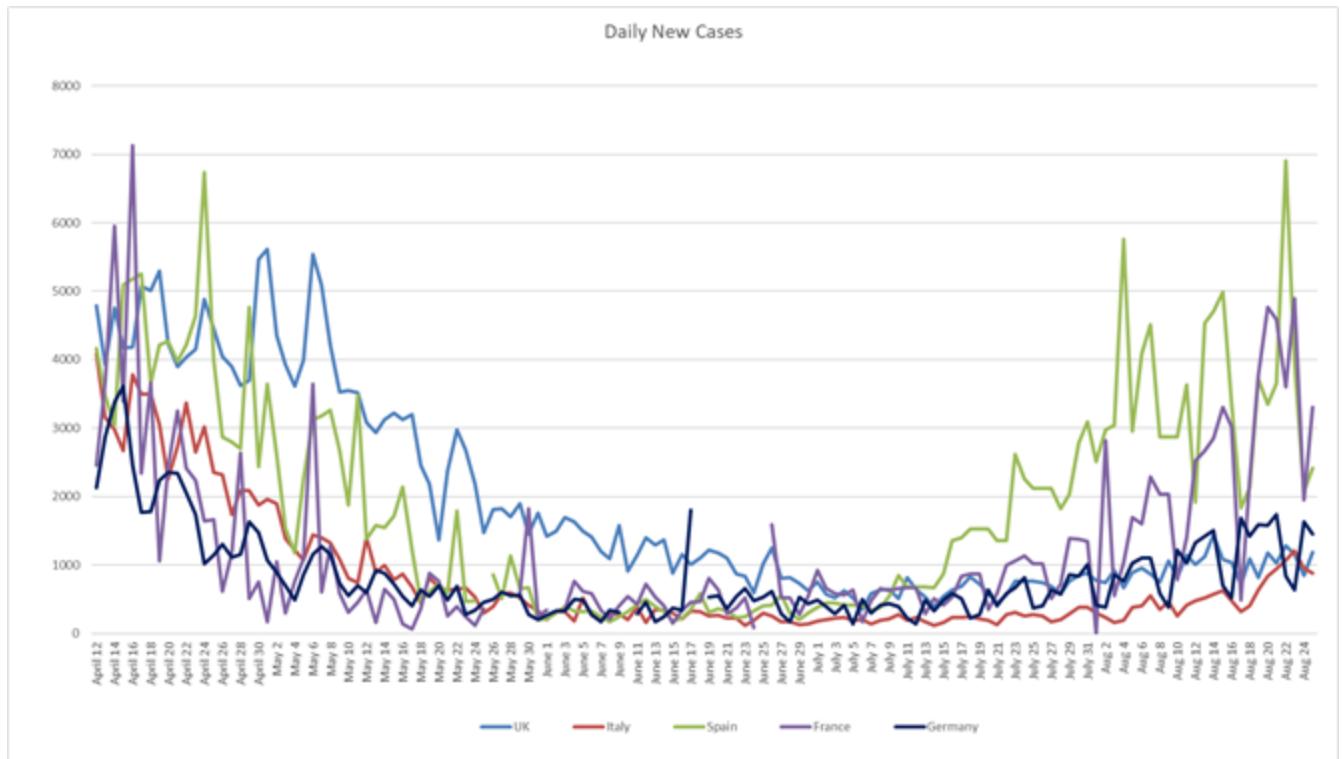


Weekly thoughts on the healthcare sector from finnCap's life sciences analysts: Mark Brewer and Arshad Ahad

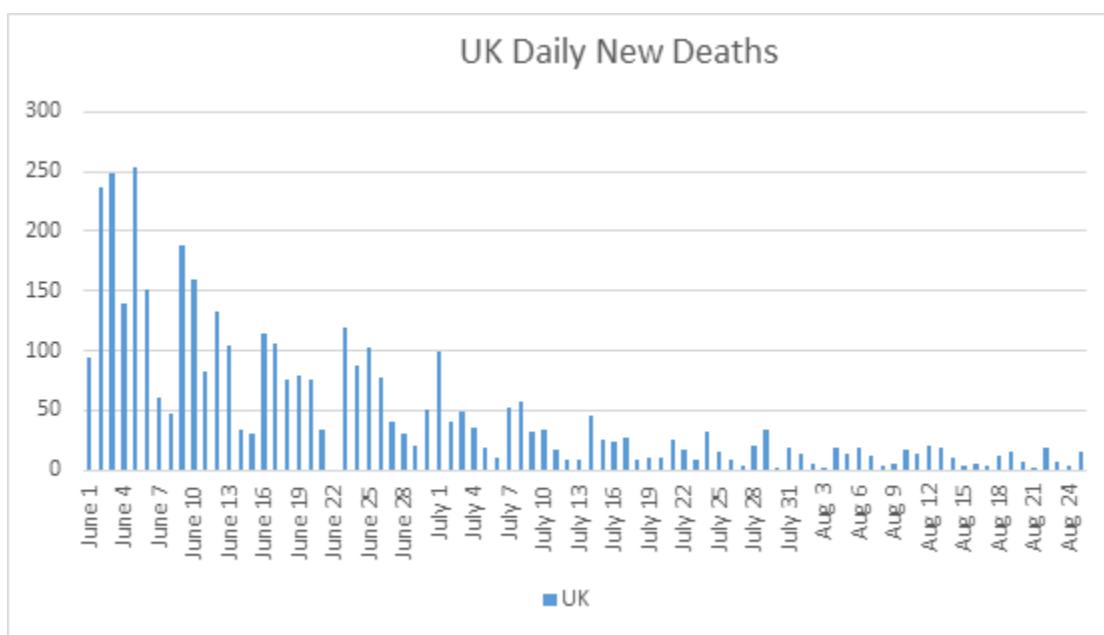
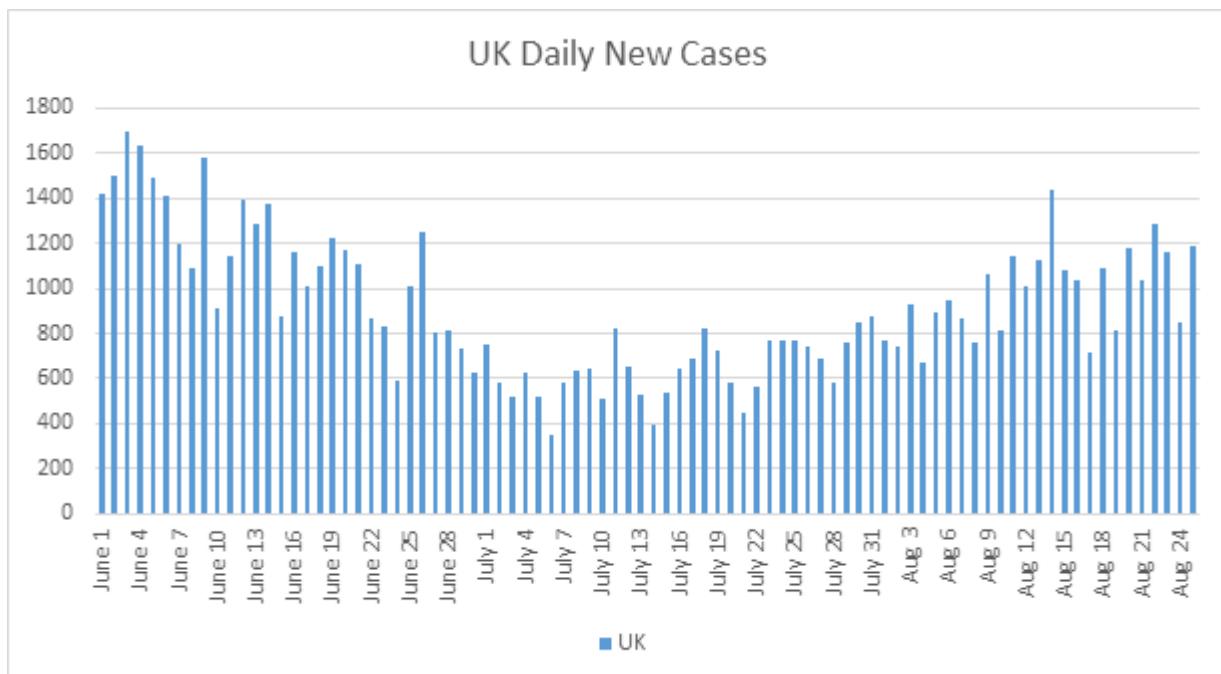
Market	Last	-1D	-1M	-3M	-12M	YTD	Health	Last	-1D	-1M	-3M	-12M	YTD
MSCI World Index	1,847	-0.1%	5.5%	12.1%	14.3%	2.6%	MSCI World Pharma/Biotech	221	-0.4%	-0.4%	2.8%	18.2%	3.6%
FTSE All Share	3,358	-0.6%	-0.7%	-1.1%	-13.9%	-20.0%	FTSE All Share Health	12,436	-1.5%	-3.6%	-3.0%	0.8%	-3.4%
AIM All Share	963	-0.2%	8.3%	13.0%	10.7%	0.5%	AIM Health	11,509	-0.8%	4.6%	9.3%	18.6%	11.0%
AIM 100	4,900	-0.4%	9.4%	12.5%	11.3%	-0.6%							

- The following figures demonstrate the significant increase in COVID-19 cases in Spain and France during August. Case numbers in these countries are now once again experiencing exponential growth. For example, the average number of daily cases in Spain in June was 328, as compared to 3,505 for August (a tenfold increase).
- However, there has not been a commensurate large increase in deaths in those two countries. Young people have been blamed for the resurgence of cases in Spain and France, and the relatively low death rate may a reflection of that.
- Sources for the following graphs: Worldometer, finnCap. Decreases in cumulative cases for certain countries are a result of retrospective adjustments of data by reporting bodies.





- UK cases have also been trending upwards during the month of August, although not to the same extent as Spain and France. However, the average daily deaths in August (10) is significantly lower than for July (26) or June (102).



\$5, 15 minute, COVID-19 test from Abbott receives emergency FDA approval

- On August 26, the FDA granted FDA emergency-use authorisation for Abbott's BinaxNOW COVID-19 Ag Card rapid antigen test, for detection of an active COVID-19 infection. Abbott will sell the test for \$5, which is the size of a credit card and provides results in 15 minutes. Abbott is also offering a free mobile app to allow people to display their results.
- BinaxNow uses lateral flow technology and demonstrated sensitivity of 97.1% and specificity of 98.5%. It is for use by healthcare professionals, who will collect samples using a nasal swab, and can be used in point-of-care settings. No external equipment is needed to produce the results.

- Abbott plans to ship tens of millions of tests this September, ramping up to 50 million in October.
- **Avacta* (AIM:AVCT)** are also developing a rapid COVID-19 antigen test for point-of-care settings. Results from the test are expected soon, and Abbott's test demonstrates that lateral flow tests can deliver very high sensitivity and specificity. One advantage Avacta's test will have is that it is a saliva-based test, as opposed to a nasal-swab test, which is much easier and more pleasant for those being tested.
- If Avacta is able to successfully develop a rapid point-of-care test in the near-term, the valuation upside is considered substantial, given that the market demand for rapid coronavirus antigen tests could run in the 100s of millions.

First confirmed case of virus reinfection

- On 24 August, a healthy 33 year old man in Hong Kong became the world's first proven case of reinfection, four months after he recovered from his first episode of COVID-19.
- Genetic sequencing showed that the second episode was caused by a slightly different strain.
- While the WHO has warned it is important not to jump to conclusions based on one patient, this does suggest that those who have had COVID-19 already should not be assumed to be immune – they should continue to comply with mask-wearing and social distancing.
- Reinfections may be rare (given that this is the first confirmed case, after months of a global pandemic) and may be less serious than initial infections. For the second episode, the 33 year old was unaware he was reinfected, and showed no symptoms, whereas he had shown symptoms during the first episode.

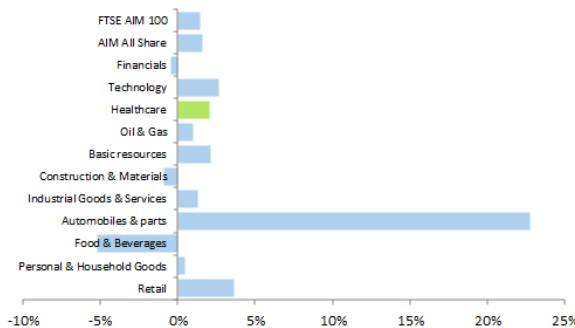
FDA approval for convalescent plasma, and potential vaccine fast-track

- On 23 August, Donald Trump announced that the FDA had given emergency authorisation for convalescent plasma – a therapy which involves collecting blood plasma from people who have recovered from COVID-19. The plasma contains antibodies generated by the immune system, and the aim is that they will help combat the disease in injected patients until they can generate their own antibodies.
- According to the WHO chief scientist there is “very low evidence” for the therapy in COVID-19. The approval on the eve of a Republican convention sparked criticisms of a rushed and politically motivated approval, as opposed to one based on scientific evidence.
- On 25 August it was reported that the Trump administration is also considering bypassing normal US regulatory standards to fast-track the Oxford University COVID-19 vaccine.
- We believe a rushed emergency use authorisation, to arrive ahead of the US election, could cause serious harm to the public's trust in a COVID-19 vaccine, leading to vastly reduced uptake, amid vocal anti-vaccination movements in the US. It would also present health risks, as the Oxford University vaccine has not yet gathered enough data to show it is safe and effective.

Novacyt launches respiratory test panel to differentiate COVID-19 from other winter diseases

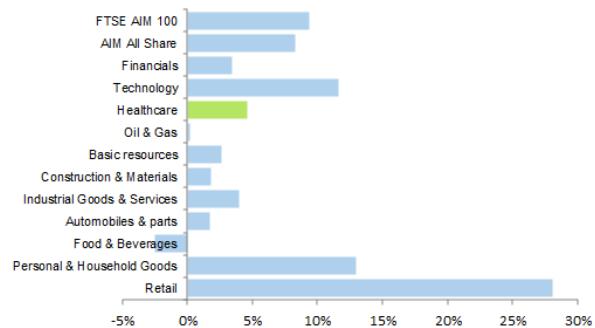
- On August 27, Novacyt (AIM:NCYT) launched its CE-marked PCR test panel, Winterplex.
- The Winterplex test panel includes two gene targets specific to COVID-19, as well as gene targets for influenza A&B and respiratory syncytial virus (RSV). It will allow healthcare providers to differentiate COVID-19 from other common winter diseases.
- The panel has 100% specificity, and sensitivity between 96% and 100%.
- The panel is designed to be used on any open PCR platform. Novacyt is using its existing manufacturing capacity to produce the panel, which is expected to drive significant incremental revenue for the company.
- Throughout the COVID-19 global pandemic, Novacyt has established itself as one of the leading diagnostics companies in this space, having launched one of the first diagnostic tests on the market. The company announced total sales and confirmed orders of £130m as of June 2. The Winterplex panel represents a forward-thinking new product, which should prove popular as we approach the winter flu season, and the importance of differentiating flu from COVID-19.

FTSE AIM all share sector performance (1 week)



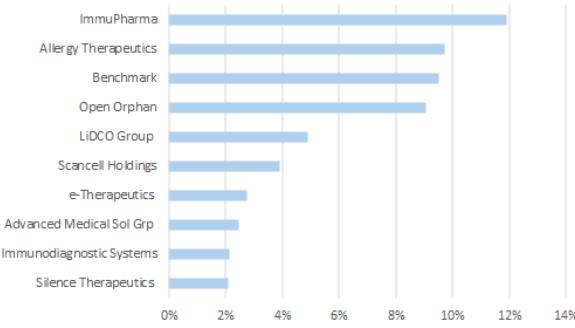
Source: FactSet

FTSE AIM all share sector performance (1 month)



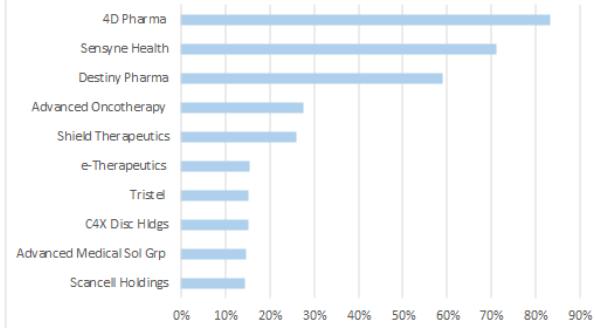
Source: FactSet

finnLife 50 - Top ten price performers (past week)



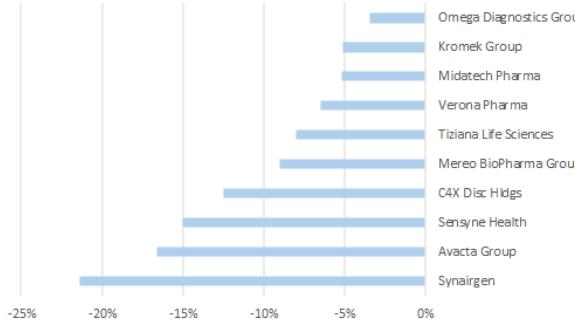
Source: FactSet

finnLife 50 - Top ten price performers (past month)



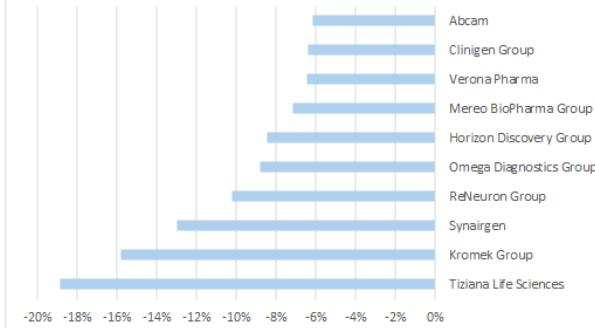
Source: FactSet

finnLife 50 - Bottom ten price performers (past week)



Source: FactSet

finnLife 50 - Bottom ten price performers (past month)



Source: FactSet

Research reports and comments in the past two weeks

Company

Date

Company	Date	Title
LiDCO	24-Aug	Six-month trading update drives further upgrade
Omega Diagnostics*	21-Aug	VISITECT WHO PQ – opens the door to wider adoption
Tristel	21-Aug	Regulatory approvals in India
Avacta*	18-Aug	LG Chem deal expansion to >\$400m
ANGLE*	14-Aug	Peer-reviewed paper – cancer immunotherapy

Upcoming roadshows and events

Company Name	Ticker	Event Type	Date(s) - 1:1's & Group meetings available
Cambridge Cognition Holdings Plc	COG	Interim Results Roadshow	22nd – 24th September – Conference Calls
Bioventix plc	BVXP	Preliminary Results Roadshow	19th – 21st October – Conference Calls

An archive of previous Health Matters can be found [here](#).

Download our latest Q3 Quarterly Report, on the theme of Cell and Gene Therapy [here](#).

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